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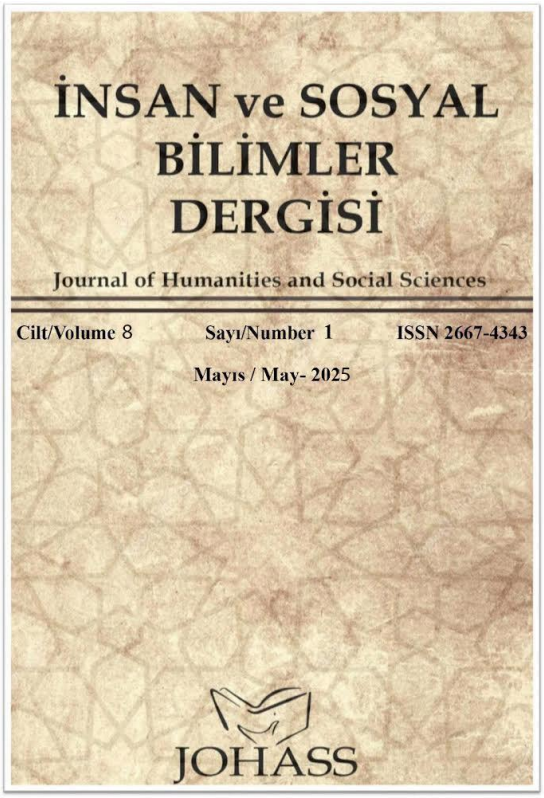

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The Role of Trust and Social Networks in Promoting Ponzi Schemes in the Niger Delta Region of Nigeria

Okoro Sunday ASANGAUSUNG[1]
Akwa Ibom State University, Department of Sociology and Anthropology
Dr. okoroasangausung@aksu.edu.ng
Orcid ID: 0009-0006-0895-453X

Thelma Aya ABANG[2]
University of Calabar, Department of Criminology and Security Studies
Dr. thelmawash01@gmail.com
Orcid ID: 0000-0001-9984-8973

Tahirih Emmanuel UDOUSORO[3]
Akwa Ibom State University, Department of Sociology and Anthropology
Dr. thepureone.udousoro@gmail.com
Orcid ID: 0009-0005-1953-4103

Ali YAĞCI[4]
Karamanoğlu Mehmetbey University, Institute of Social Sciences. Science Expert
ayagci89@gmail.com
Orcid ID: 0000-0003-0359-4927

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Okoro Sunday ASANGAUSUNG[1]

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Thelma Aya ABANG[2]

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Tahirih Emmanuel UDOUSORO[3]

Akwa Ibom State University, Department of Sociology and Anthropology

Ali YAĞCI[4]

Karamanoğlu Mehmetbey University, Institute of Social Sciences

Abstract

In the oil-rich, yet, often marginalised Niger Delta, the promise of financial liberation, ironically, flows not just from the earth but also from the insidious currents of Ponzi schemes, where deeply ingrained social trust becomes the very pipeline through which exploitation is pumped. This study examined the critical role of trust and social networks in the proliferation of Ponzi schemes within the Niger Delta region of Nigeria. The study was guided by Marvin Wolfgang's Victim Precipitation Theory (VPT) developed in 1958. An exploratory survey design was utilised. Key informant interview was used with 28 victims of Ponzi scheme, aged 18-60 years. Purposive and respondent-driven sampling techniques were utilised in the selection of respondents. Data were analysed using thematic analysis. Findings revealed that Ponzi schemes in the Niger Delta region of Nigeria are effectively promoted through the exploitation of trust within social networks, including family, community ties and religious affiliations, leading to significant financial losses for victims who often rely on endorsements from trusted individuals. This study contributes to knowledge by providing a context-specific understanding of trust exploitation within the Niger Delta region's unique socio-cultural landscape. It moves beyond individual blame, framing vulnerability as a product of manipulated social conditioning and emotional appeals within trusted networks. The study recommended the urgent need for culturally informed financial literacy programmes, stronger community-based awareness initiatives and targeted policy interventions to build resilience against these pervasive financial scams. The study suggests further research on the link between sociocultural dynamics and financial fraud, particularly in rural or impoverished areas.

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Corresponding author:

[1] *Dr.*
okoroasangausung@aksu.edu.ng
https://orcid.org/0009-0006-0895-453X

Other author:

[2]*Dr.*
thelmawash01@gmail.com
Orcid ID: 0000-0001-9984-8973

[3] *Dr.*
thepureone.udousoro@gmail.com
Orcid ID: 0009-0005-1953-4103

[4] *Science Expert*
ayagci89@gmail.com
Orcid ID: 0000-0003-0359-4927

Introduction

Globally, Ponzi schemes have posed significant threats to financial systems and individual livelihoods, transcending geographic and economic boundaries. Ponzi schemes are named after Charles Ponzi, who used a postage stamp speculation scheme to defraud investors in the 1920s. In the United States and parts of Europe, Ponzi schemes have historically been perpetrated through elaborate networks and sophisticated strategies, often involving influential individuals or financial institutions (Peng & Boyle, 2024). The infamous case of Bernie Madoff in the United States who defrauded investors of over $60 billion, is a stark reminder that even in highly regulated economies, fraudulent investment schemes can flourish when trust is strategically manipulated (Viljoen, 2024). In these contexts, Ponzi schemes are usually veiled under the guise of legitimate financial instruments, drawing in victims through reputational credibility, exclusivity and complex returns.

In Asia, particularly in countries such as India, China, and Malaysia, Ponzi schemes have taken on a more community-based structure, often operating through informal savings groups, WhatsApp groups, and pyramid-like models (Koker, 2012). Here, the emphasis is often on group participation and urgency, with emotional appeals to family and regional loyalty. Regulatory systems in these countries have struggled to keep pace with the fast-evolving digital methods used by fraudsters, leaving many citizens vulnerable, especially in rural areas and semi-urban centres.

In Africa, the narrative of Ponzi schemes is largely shaped by a mix of economic hardship, limited financial literacy and deeply entrenched communal trust systems. In countries like South Africa, Kenya, Nigeria and Ghana, fraudsters have exploited unemployment, social inequality, and institutional distrust to push seemingly attractive investment opportunities (Krige, 2012). These schemes are often framed as grassroots empowerment projects or cooperative wealth-sharing platforms, echoing the communal spirit that characterizes many African societies (Chen, 2025).

Nigeria, in particular, has experienced a surge in Ponzi scheme operations over the last decade, with high-profile cases such as Mavrodi Mundial Movement (MMM) leading to millions of naira in losses for citizens across socio-economic classes (Omilusi et al., 2018). The schemes have evolved in response to growing internet penetration and mobile technology, which fraudsters now use to reach larger audiences faster (Lartey, 2024). What is peculiar to the Nigerian context is the blending of digital convenience with the exploitation of socio-

cultural relationships, family, religious bodies, alumni groups and ethnic affiliations all of which are deeply respected and trusted by the average Nigerian.

In the Niger Delta region, the situation is even more precarious. The region's history of political neglect, environmental degradation due to oil exploitation, and high youth unemployment has created fertile ground for the promise of quick wealth (Nwokoma et al., 2022). Ponzi scheme promoters often capitalise on these socio-economic frustrations, repackaging their offers as means of financial liberation or community upliftment. Through the use of pastors, local chiefs, respected elders and peer endorsements, they exploit the communal structure and the urgency of economic survival to lure individuals into fraudulent schemes (Opue et al., 2018). The language of hope, opportunity, and empowerment is infused with spiritual, cultural and ethnic undertones, which not only masks the fraudulent intent but also fast-tracks participation among victims.

The emergence and proliferation of Ponzi schemes in Nigeria, particularly in the Niger Delta region, reflect a troubling intersection of economic desperation, weak regulatory oversight and the manipulation of deeply rooted social networks (Opue et al., 2018). Historically, Ponzi schemes have thrived in contexts marked by financial insecurity and limited access to formal investment opportunities, and Nigeria is no exception (Adaramola et al., 2024). In recent years, the country has witnessed an alarming increase in the number of individuals, families and communities who fall victim to these fraudulent operations, often losing their life savings (Asabor, 2025). While the schemes may vary in design, a common thread lies in the strategic use of trust; trust built through personal relationships, religious affiliations, ethnic identity and communal ties. This trust becomes the very tool through which promoters attract, convince, and ultimately defraud unsuspecting victims (Carey & Webb, 2017).

What emerges from this international-to-local perspective is that while the structural formats of Ponzi schemes may differ, the underlying mechanism remains the same; the strategic exploitation of trust within social networks (Hidajat et al., 2024). Whether through institutional credibility in the West, community appeals in Asia and Africa, or grassroots manipulation in Nigeria, Ponzi schemes thrive on the human tendency to trust those within their social or cultural circles (Onoh & Eze, 2018). In the Niger Delta, this trust is compounded by a lack of viable economic alternatives and a collective desire for upward mobility, making the region particularly vulnerable to such scams.

The problem this study addresses is not merely the financial loss associated with Ponzi schemes but the mechanisms through which such losses are orchestrated and legitimised within

trusted social spaces. The reliance on word-of-mouth, personal endorsements and communal narratives masks the fraudulent intent of these schemes and accelerates their reach (Onanuga & Taiwo, 2020). Victims are often persuaded not by the technical merits of the investment but by the social assurance provided by someone they know and trust (Samanta, 2025). Consequently, the line between informed consent and emotional manipulation becomes blurred, complicating the attribution of responsibility and the development of effective preventive strategies.

This study, therefore, examined the role that trust and social networks play in enabling Ponzi scheme promoters to gain credibility and expand their influence in the Niger Delta region of Nigeria. It aims to understand not just the methods of recruitment, but also the cultural, emotional and relational dynamics that make these methods effective. By examining these factors, the research hopes to contribute to broader conversations on financial literacy, regulatory reforms, and community resilience against economic fraud.

Literature Review

One type of financial fraud that has been around for a while is the Ponzi scheme (Amakoromo et al., 2024). They entail a person who guarantees investors large and consistent returns on their investments; this person is referred to as the orchestrator (Drew & Drew, 2012 cited in Amakoromo et al., 2024). To give the appearance of profitability, the orchestrator usually obtains funds from new investors to reimburse returns to previous investors. This cycle keeps on as long as new investors are added, but it ends when there are not enough of them to keep the plan going (Amakoromo et al., 2024). Asogwa et al. (2017) opined that Ponzi scheme is a financial venture that generates an unusually high return on investment only via a deliberate and serious search for new members who pose little to no risk. Asogwa et al. (2017) furthered that the US Securities and Exchange Commission described a Ponzi scheme as an investment scam in which monies contributed by new investors are used to pay current investors fictitious returns.

Ponzi schemes are a well-planned digital financial fraud scheme that defrauds *"Peter to pay Paul"*, a process that typically ends suddenly for investors, according to the Interpol Purple Notice (2019). Ponzi schemes start by promoting their businesses online and pressuring investors to open trading accounts under duress. This process has a number of *"mouth-watering"* features and investors can anticipate quick returns on their initial investment. The demand for reward withdrawals soon outpaces deposits and investment, leaving operators unable to meet the high rates. The scheme ultimately fails as a result of this incompetence and

all of their internet connections are disconnected. Barlev (2022) observed that operators of Ponzi schemes usually present investors' money as gains from their investment while also pressuring them to make more investments to boost returns. An activity that promises a high return or dividends that are unavailable in conventional investments is known as a Ponzi scheme (Federal Bureau of Investigation, 2020). Instead of investing the victims' money, the criminals utilise the money from the first investors to pay *"dividends"* to investors who joined the scheme earlier.

Empirically, the factors influencing participation in Ponzi schemes in Nigeria were investigated by Obamuyi et al. (2018). A multi-phase sampling process was employed to choose 384 study participants. One-Way ANOVA and descriptive statistics were used to evaluate the data. Findings showed that the most important factors influencing Ponzi scheme participation were friends' recommendations, expected benefits, current economic conditions, ease of obtaining funds, and the get rich quick syndrome. These factors were also significant with regard to gender, age, marital status, employment status, and educational level. The study came to the conclusion that the Get-Rich-Quick syndrome, friends' recommendations, predicted benefits, present economic conditions and ease of getting cash were the main factors influencing participation in Ponzi schemes.

The study by Obamuyi et al. (2018) provides a comprehensive overview of factors influencing Ponzi scheme participation in Nigeria, but lacks a deeper understanding of how these mechanisms operate within specific cultural contexts. The research, focusing on the Niger Delta region, uses qualitative methods to explore how Ponzi scheme promoters exploit trust and cultural affiliations for recruitment, providing valuable insights that complement previous quantitative studies and enrich the literature on Ponzi scheme participation in Nigeria.

Nigerian Ponzi scheme prevalence and governmental regulation were studied by Amakoromo et al. (2024). This study argued that the state has severely failed to fulfil its obligation to combat Ponzi schemes in Nigeria, which has resulted in financial misery for innocent Nigerians who fall victim to them. The documentary approach, which included obtaining information from books, journals, newspapers, laws and article publications, among other sources, was the data collection tool used for the study. Content analysis was used to analyse the collected data. Results indicated that the inability of the government to halt the operations of Ponzi schemes is the reason for their widespread occurrence in Nigeria.

The study by Amakoromo et al. (2024) on Ponzi schemes in Nigeria primarily focused on the state's role and legal loopholes, neglecting the micro-level dynamics within communities.

This study aims to fill this gap by examining how Ponzi scheme promoters manipulate social trust, ethnic and religious affiliations, and community ties to build credibility and recruit participants. The qualitative, context-sensitive approach captures the lived experiences of victims and the subtle ways social capital is weaponized, offering fresh perspectives for effective policy responses and grassroots prevention strategies.

Selected discursive elements for digital deception in Nigerian online Ponzi schemes were examined by Onanuga and Taiwo (2020). According to the study, scheme makers employ attitude and language engagement, formulaic expressions and politeness methods, narrativity, naming and lexical range. These discursive and linguistic decisions are used as instruments to draw clients and, eventually to mislead. Because it fosters a sense of community and increases financial leverage, which are then used to defraud unwary and frequently avaricious subscribers, the overt promotion of financial profits has underlying ideological consequences. According to the study's findings, language used in Ponzi schemes is purposefully designed to appeal to a range of personal emotions, especially in developing nations where poverty is pervasive and people will stop at nothing to make money. Onanuga and Taiwo's (2020) study lacks a deeper understanding of sociocultural environments. The current research investigates how Ponzi scheme promoters embed themselves within social networks to build credibility and recruit victims. It uses qualitative methods like key informant interviews and thematic analysis to reveal the human and relational dimensions of financial deception, providing a more community-centred perspective on financial vulnerability.

Bosley and Knorr (2018) compared and contrasts the dynamics and ramifications of pyramid and Ponzi fraud and looked at the characteristics that make consumers more susceptible to pyramid scheme fraud. The participant data (which included more than half a million people) from the now-defunct Fortune Hi-Tech Marketing pyramid scheme in the United States was analysed using statistical techniques, such as multiple regression. The results showed that this pyramid plan thrived in counties with recognisable affinity groups, such as Hispanic populations, religious organisations, and specific age groups (such as recently retired). Geographical regions had varying degrees of success in recruitment; the South had the highest rates. Although earlier studies have found a potential positive correlation between education and involvement in Ponzi schemes, this is not the case for the pyramid scam under investigation. Additionally, this pyramid scheme demonstrated counter-cyclical behaviour, whereas Ponzi schemes may be pro-cyclical, collapsing during contractions when members attempt to withdraw their money. Bosley and Knorr's (2018) study largely focused on developed

economies and pyramid structures, neglecting deeper socio-cultural mechanisms in informal, trust-based economies like sub-Saharan Africa. This study, focusing on the Niger Delta region of Nigeria, uses qualitative research to understand how trust is actively manipulated in fraud recruitment, providing a culturally nuanced perspective on financial fraud.

The prevalence, characteristics, and impact of Ponzi schemes in Nigeria were investigated by Adaramola et al. (2024). Through the use of both qualitative and quantitative surveys, we discover that Ponzi schemes have flourished in Nigeria throughout the years, causing incalculable harm to both private citizens and the country's economy. A total of 3,500 respondents were given an online survey that was created using the Heintzelman Greed Scale. According to the responses of 3,200 people, the majority of them were eager to invest in Ponzi schemes, regardless of the danger and expense involved. The findings indicated that the main factor luring investors into Ponzi schemes is greed. The study by Adaramola et al. (2024) on Ponzi schemes in Nigeria focuses on greed, but lacks cultural specificity. This study investigates trust in ethnic, religious and communal affiliations in the Niger Delta, focusing on the structural and relational mechanisms used to lure individuals into fraudulent schemes. By incorporating key informant interviews and thematic analysis, the study offers a more holistic and contextually rich contribution to the literature on financial fraud in Nigeria.

Theoretical Framework

This study was guided by the Victim Precipitation Theory (VPT). VPT, originally introduced by Marvin Wolfgang in his 1958 study on homicide, posits that victims may play an active or passive role in the events leading to their victimization. Initially developed within the context of violent crimes, particularly in examining the dynamics of victim-offender interaction, the theory suggests that certain behaviour, choices, or social positions of victims can precipitate or facilitate their own victimisation. Over time, this theory has been extended to various forms of victimization beyond physical violence, including fraud and deception, where the victim's actions, vulnerabilities or social environment may unwittingly contribute to their exploitation.

In applying the VPT to the current study on Ponzi schemes in the Niger Delta region, the focus shifts from victim-blaming to understanding the nuanced interplay between social context, emotional vulnerability, and trust dynamics. In this context, Ponzi scheme promoters operate within pre-existing networks of trust, leveraging personal relationships, communal affiliations and religious or ethnic loyalties to legitimise fraudulent schemes. The basic

assumptions of VPT are that victim, through certain predispositions or behaviour, can unknowingly make themselves more susceptible to victimisation. Victims often relied on word-of-mouth endorsements from family members, religious leaders, ethnic community members or social peers, many of whom they trusted implicitly. This trust became the entry point through which fraudulent schemes were not only introduced but also emotionally and culturally validated.

For instance, participants recounted joining Ponzi schemes based on endorsements from church elders, ethnic association leaders and respected figures in their communities who framed the schemes as divinely inspired or ethnically driven economic upliftment initiatives. These social endorsements served to override scepticism and reinforced a sense of belonging and mutual support. From the lens of VPT, this illustrates how passive victim precipitation can occur; where victims do not provoke deception intentionally, but through cultural norms, emotional needs, or socio-economic desperation, they lower their guard and become accessible targets for exploitation.

The theory's relevance to this study lies in its emphasis on victim-offender interaction within a social setting. Ponzi scheme promoters are not faceless actors; they are often embedded within the same communities as their victims and exploit the cultural and emotional trust structures to engineer compliance. Thematic analysis of the data revealed that the majority of victims did not engage in due diligence not because of ignorance alone, but because of the perceived authenticity lent to the scheme by trusted social actors. VPT helps to frame this vulnerability not just as an individual lapse, but as a result of social conditioning and emotional manipulation within trusted networks.

Nonetheless, VPT has faced significant criticism over the years. Critics argue that it tends to place undue responsibility on the victim, potentially veering into victim-blaming. This is especially problematic in cases where structural inequalities, lack of regulatory oversight, and sophisticated deception techniques are the real culprits. In the case of Ponzi schemes, the power imbalance and intentional manipulation by the promoters are clear. Critics also point out that the theory often underestimates broader systemic factors such as poverty, inadequate financial literacy and institutional failures that create fertile ground for such schemes to flourish.

Despite these criticisms, the application of VPT in this study remains relevant. Rather than using the theory to assign blame to victims, it serves here as a lens to understand how trust, desperation, and social embeddedness can make individuals more vulnerable to deception. It encourages a deeper analysis of how cultural, religious and emotional contexts intersect with

economic aspirations to create a breeding ground for financial scams. VPT, therefore, complements the study's goal by offering an interpretive framework that situates victimisation within the socio-cultural realities of the Niger Delta, without absolving the perpetrators or ignoring systemic failures.

In conclusion, while acknowledging its limitations, VPT remains a valuable tool for unpacking the social dynamics that facilitate victimisation in fraud cases. Its integration into this study provides a layered understanding of how trust-based networks, shaped by personal, ethnic and religious affiliations, are manipulated by Ponzi scheme promoters to recruit unsuspecting investors. Hence, the theory, when applied critically and contextually, strengthens the analytical depth of the research and justifies its use as a theoretical anchor for the study.

Method

Model

The study employed an exploratory survey design, supported by Key Informant Interviews (KII), to unpack the nuanced ways in which trust and social networks were manipulated to facilitate fraudulent financial schemes. Given the complex socio-cultural fabric of the Niger Delta, characterised by strong ethnic identity, communal ties, and religious affiliations, the study's methodology effectively captured the informal channels through which Ponzi schemes were propagated. With a sample size of 28 participants, including both male and female victims aged 18 to 60 years, the study adopted purposive and respondent-driven sampling techniques. This approach was appropriate for a hidden or stigmatised population where direct random sampling may not have been feasible, particularly because individuals who had fallen victim to financial scams were often reluctant to come forward without personal reassurance. The use of key informant interviews further enriched the dataset by allowing for deep, qualitative insights into how trust was constructed and deployed in everyday social interactions.

The involvement of two trained research assistants, alongside the use of tape recorders, ensured that the data collection process was both thorough and ethically sound. Audio recording enabled detailed transcription and helped preserve the context and tone of responses, which were critical for qualitative validity. Thematic analysis of the transcribed data provided an interpretative lens through which patterns, meanings and social undercurrents were systematically identified and analysed. Also, selected excerpts of the interviews were used for

the analysis. The study area, encompassing various states in the Niger Delta region added a significant geographical and cultural dimension to the findings. The region's history of marginalisation, economic struggles and community-based survival mechanisms made it particularly susceptible to schemes that framed themselves as grassroots economic empowerment. By situating the research in this context, the study interrogated not just the mechanisms of trust, but also the structural conditions that made such trust networks fertile ground for exploitation.

Overall, the methodology supported a robust and context-sensitive exploration of how Ponzi schemes thrived in informal networks. It highlighted the interplay between emotional appeal, social trust and cultural symbolism in manipulating victims. Importantly, it allowed the research to move beyond individual blame and toward a structural understanding of financial vulnerability in the region, thereby offering a solid foundation for developing more culturally informed financial education, regulatory policies and community-based prevention strategies.

Ethics Committee Approval

This paper complies with Research and Publication Ethics, has no conflict of interest to declare, and has received no financial support.

Findings

The data presented in Table 1 emphasises a significant and recurring problem of Ponzi schemes in Nigeria, revealing a pattern of rapid proliferation and collapse that spans several years.

Table 1

Key Ponzi Schemes Operators in Nigerian (2015-2025)

Name of Ponzi Scheme	Year Established in Nigeria	Year of Collapse	Estimated Amount Lost by the Victims	Estimated Number of Victims
MMM Nigeria	2015	2016	₦18 billion	Over 3 million
Ultimate Cycler	2016	2016	Not specified	Thousands
GHW (Get Help Worldwide)	2016	2016	Not specified	Thousands
Twinkas	2017	2017	Not specified	Thousands
iCharity Club	2016	2016	Not specified	Thousands
Crowd Rising	2016	2017	Not specified	Thousands
Claritta	2016	2017	Not specified	Thousands

Help2Get	2016	2017	Not specified	Thousands
Loopers Club	2017	2016	Several million Naira	Over 15,000
Givers Forum	2016	2017	Not specified	Thousands
NNN Nigeria	2016	2017	Not specified	Thousands
Global Crediting Cooperative Hub (GCCH)	2016	2017	Not specified	Thousands
Money Riot	2016	2017	Not specified	Thousands
RevoMoney	2016	2017	Not specified	Thousands
SwissGolden (Nigeria version)	2016	2017	Not specified	Thousands
Nigeria News Update (NNU)	2017	2018	Not specified	Thousands
Peer2Peer Donation	2016	2017	Not specified	Thousands
Twinkas Reloaded	2016	2017	Not specified	Thousands
Donation Hub	2016	2017	Not specified	Thousands
MyBonus	2016	2017	Not specified	Thousands
ZarFund	2016	2017	Not specified	Thousands
Bitclub Advantage	2016	2018	Not specified	Thousands
Million Money	2016	2018	Not specified	Thousands
Helping Hands International	2013	2018	Not specified	Thousands
Pennywise	2016	2018	Not specified	Thousands
Loom	2019	2019	Not specified	Thousands
Crowd1	2019	2019	Not specified	Thousands
Chinmark Group	2020	2022	Not specified	Thousands
Lion’s Share	2020	2020	Not specified	Thousands
Eagle Cooperative	2020	2021	Not specified	Thousands
FINAFRICA	2021	2021	Not specified	Thousands
QNet (Nigeria)	2022	2022	Not specified	Thousands
WealthBuddy	2023	2024	Not specified	Thousands
BitFinance Global	2022	2025	Not specified	Thousands
CALA (Cala Finance)	2023	2023	Not specified	Thousands
MBA Forex	2021	2022	N1 billion	400
Axim Exchange	2022	2023	Not specified	Thousands
CBEX	2024	2025	N1.3 trillion ($800 million)	250,000 to 300,000

Source: Field data (2025)

The period between 2016 and 2017 appears to have been particularly active, with a multitude of schemes establishing and subsequently failing within a short timeframe. This suggests a period of heightened vulnerability among the population, possibly influenced by economic conditions or a surge in awareness (and exploitation) of such fraudulent models.

The consistent reporting of victim numbers in the thousands across numerous schemes highlights the widespread impact of these scams on the Nigerian populace. While specific financial losses are often unspecified, the singular case of MMM Nigeria, with its colossal reported loss of ₦18 billion and over 3 million victims, starkly illustrates the potential for immense financial devastation on a national scale. More recent schemes like MBA Forex and CBEX, despite potentially operating for shorter durations, also indicate substantial financial losses and significant numbers of victims, demonstrating that the threat persists.

The implications of this pattern are far-reaching. Economically, the repeated loss of billions of Naira to these schemes can destabilise individual finances, erode savings and hinder economic growth at a broader level. Socially, the collapse of these schemes can lead to broken trust within communities, strained relationships and increased financial hardship, potentially exacerbating existing inequalities and social unrest. The psychological impact on victims, ranging from feelings of betrayal and shame to severe financial anxiety, is also a significant concern.

Furthermore, the recurring nature of these schemes points to potential weaknesses in financial literacy among a segment of the population, as well as possible gaps in regulatory oversight and enforcement that allow such operations to flourish, even if for a limited time. The table serves as a compelling piece of evidence for the urgent need for more robust financial education initiatives, stricter regulatory frameworks and increased public awareness campaigns to mitigate the devastating impact of Ponzi schemes in Nigeria.

The data presented in Table 2 underscores the significant influence of personal relationships and word-of-mouth trust in motivating individuals to join Ponzi schemes.

Table 2

Responses on Personal Relationships and Word-of-Mouth Trust

How did personal relationships and words-of-mouth trust push you into Ponzi scheme?		
Participants	**Study Locations**	**Interview Excerpts**
Victim 1 (Civil Servant, 40 years old)	Port Harcourt (Rivers State)	It was my cousin who first told me about it. He showed me proof of payment and said he made over ₦300,000 in just three weeks. I didn't even think twice. I trusted him because we grew up together. He's not the kind of person to lie. So, I joined with my savings, thinking it was safe. But after I paid, the platform crashed within a month.
Victim 2 (Fashion Designer, 28 years old)	Uyo (Akwa Ibom State)	My church elder introduced it to me. He said it was a blessing from God, and that many people in the church were already cashing out. I didn't want to be left out. Plus, he's someone I respected a lot, so I didn't doubt him. It felt like a family thing. But by the time I joined, it was already too late. I lost everything I put in.
Victim 3 (Trader, 42 years old)	Warri (Delta State)	My best friend told me about it. He even used his first profit to buy goods from my shop, so I believed it must be real. The way he explained it, it sounded so easy-just invest and get your money in two weeks. I invited some of my customers too. Now we're all victims. He too later lost his money, so I know he didn't mean any harm.
Victim 4 (School Teacher, 45 years old)	Yenagoa (Bayelsa State)	I saw a broadcast message on WhatsApp sent by someone from my village. I called him, and he told me his sister and two uncles had already benefited. Because I knew the family and they're respected, I felt it was legit. He even helped me register. It all seemed very organised. Until the day the site stopped working and customer support disappeared.
Victim 5 (Electrician, 40 years old)	Port Harcourt (Rivers State)	It was my childhood friend who told me about the scheme. We grew up in the same compound and he had never lied to me before. He showed me receipts of the money he had already received and even

		helped me register. I didn't do any background check-I just trusted him. That trust cost me my entire savings.
Victim 6 (Makeup Artist, 30 years old)	Calabar (Cross River State)	A colleague at work introduced it to me during lunch break. She said her elder sister was already cashing out weekly and encouraged me to try with a small amount. She even offered to help me register. Because she was someone I interacted with daily and we shared personal struggles, I believed her. I didn't know we were both being scammed.
Victim 7 (Student, 27 years old)	Uyo (Akwa Ibom State)	My cousin brought the idea during a family visit. He was very excited and said it was helping young people grow their finances. He told me not to miss out. I had some money left from a scholarship payment and decided to try it. I didn't want to disappoint him or look like I didn't trust him. I regret not doing my own research.
Victim 8 (Farmer, 50 years old)	Yenagoa (Bayelsa State)	A man in my community who is well respected introduced it at our village square. He said many of us had suffered for too long and this was our time. Because we all know him and he's never misled us before, I joined. He too later lost his money, so I know he didn't mean to deceive anyone. But it was his word that convinced me.

Source: Field data (2025)

The testimonies reveal that most respondents were introduced to the schemes by people they knew closely, family members, friends, co-workers, church elders or respected community figures. This trust-based network played a pivotal role in legitimising the schemes and lowering the participants' psychological guard. Because these introductions came from familiar and seemingly credible sources, many of the victims did not feel the need to verify the authenticity of the schemes or assess the risks involved.

The relational dynamic created a false sense of security where emotional bonds and shared histories were mistaken for financial credibility. For many, the motivation to join was not just financial gain, but also a desire to support or align with trusted individuals, avoid being left out, or uphold social ties. Several respondents indicated that they made their decision without conducting any independent checks, driven more by interpersonal trust than objective reasoning. The implications for the study are multifaceted. Firstly, it highlights how informal trust networks; while usually a strength in communal societies can be exploited to disseminate financial fraud. The spread of Ponzi schemes in this context mimics the dynamics of social contagion, where trust in one person ripples through a wider group, pulling in multiple victims. This mechanism also creates cascading effects: when one person joins, others follow, compounding the reach and impact of the scheme.

Secondly, the data draws attention to the social and emotional costs of such scams. When trusted relationships are implicated in financial loss, it can lead to feelings of betrayal, embarrassment, and strained social ties, even when the introducer was also a victim. This erosion of trust within personal and communal relationships may have long-term psychological and social repercussions that extend beyond economic loss. Consequently, the findings suggest that public sensitisation efforts must not only focus on raising awareness about Ponzi schemes

generally but also specifically target the misuse of trust in interpersonal communication. Financial literacy programs should emphasise critical thinking and verification, even when opportunities are introduced by close associates. This calls for a culturally sensitive approach that respects communal structures while equipping individuals with tools to distinguish emotional trust from financial due diligence.

The data presented in Table 3 reveals significant insight into how community ties and solidarity culture facilitated the entry of individuals into Ponzi schemes across various localities.

Table 3

Responses Based on Community Ties and Solidarity Culture

How did community ties and solidarity culture push you into a Ponzi scheme?		
Participants	**Study Locations**	**Interview Excerpts**
Victim 9 (Farmer, aged 38)	Oron (Akwa Ibom State)	They came to our women's association meeting and said the scheme was a local empowerment plan to fight poverty in our community. The man who spoke even greeted us in our language and said, "Let us lift each other up". We believed him because he sounded like one of us. We all contributed money to join. In less than a month, we heard the promoters had disappeared.
Victim 10 (Fisherman, aged 45)	Okrika (Rivers State)	During one of our monthly village meetings, one youth leader introduced the scheme and said it was meant to support the coastal communities. He spoke in our dialect and told us it was started by "our own brothers" in the city. That made it feel like it was something for us by us. I felt it was safe, but it turned out to be fake.
Victim 11 (Hairdresser, aged 29)	Eket (Akwa Ibom State)	I heard about it during a cooperative society meeting. The promoter said it was a "community blessing circle" that helps members grow financially. They even brought someone who claimed to have used her profit to start a poultry business. Because we all knew each other in the group, we didn't suspect anything. We saw it as our own community helping itself.
Victim 12 (Motorcycle Mechanic, aged 33)	Sagbama (Bayelsa State)	A local group I belong to-mostly young people in the area-invited one man to talk to us. He told us this was a "movement" to free the Niger Delta from economic oppression. He wore local attire and called out our community names like he was one of us. It felt patriotic. We were excited to be part of something that sounded like it was for our own people.
Victim 13 (Fashion Designer, aged 41)	Ikot Abasi (Akwa Ibom State)	The promoter came through our village council chairman. He said the scheme was aimed at empowering artisans and small business owners in our LGA. The chairman endorsed it openly and even promised it was risk-free. Most of us joined because we trust the council. But after two weeks, we couldn't reach the organizer again. It was a painful lesson.

Source: Field data (2025)

The narratives demonstrate a recurring pattern where the trust embedded in local networks, such as women's associations, youth groups, village councils and cooperative societies was strategically exploited by Ponzi scheme promoters. These actors did not present

themselves as outsiders; instead, they deliberately adopted the cultural identities and linguistic codes of the communities, making their schemes appear as grassroots initiatives designed for communal upliftment. Respondents consistently point to the use of familiar faces, respected figures, and local dialects as key persuasive elements. This manipulation of trust and solidarity created a powerful illusion of authenticity and benevolence, reducing scepticism and increasing susceptibility among community members. In several cases, the schemes were introduced during trusted communal gatherings and even endorsed by local leaders or figures of authority, which further legitimised them in the eyes of potential victims.

These findings have profound implications for the study. They suggest that while community ties are generally a source of social support and cohesion, they can also become channels for economic exploitation when trust is weaponised. The data challenges the assumption that proximity and shared identity automatically safeguard individuals from fraud. Instead, it underscores the need for targeted financial literacy interventions that are culturally sensitive and community-based, particularly in vulnerable and tightly-knit rural or semi-urban populations. Moreover, it calls for stronger oversight and due diligence mechanisms within local associations and councils to prevent the abuse of solidarity networks. The findings ultimately reflect how systemic poverty and the longing for economic empowerment create fertile ground for fraudulent schemes cloaked in the language of communal progress.

The responses in Table 4 illuminate the complex and emotionally charged role that religious affiliation plays in influencing participation in Ponzi schemes.

Table 4

Responses Based on Religious Affiliations

How did religious affiliation push you into a Ponzi scheme?		
Participants	**Study Locations**	**Interview Excerpts**
Victim 14 (School Administrator, aged 50)	Uyo (Akwa Ibom State)	The scheme was introduced by one of our pastors during a midweek service. He said it was a divine opportunity to break financial hardship and urged us not to miss our "season of blessing". When someone you see as a spiritual father says something like that, it's hard to doubt. I invested immediately and even encouraged my prayer group to join. We all lost money.
Victim 15 (Transporter, aged 40)	Yenagoa (Bayelsa State)	Our imam didn't directly promote it, but one of the respected elders in the mosque was sharing testimonies after Friday prayers. He said he got profit within days and encouraged us to join. He called it halal and said it was a financial breakthrough from Allah. That made many of us feel it was spiritually safe. But it turned into a disaster
Victim 16	Warri (Delta State)	During a Sunday service, a woman came out to give a testimony. She said she invested in the scheme and God multiplied her money. The church clapped and praised God for her. After service, people rushed to

(Makeup Artist, aged 27)		ask her how to join. I followed too. It felt like a blessing from heaven. But just two weeks later, everything crashed.
Victim 17 (Civil Engineer, aged 55)	Port Harcourt (Rivers State)	A guest speaker was invited to our church and he mentioned the scheme as a God-given solution for kingdom wealth. He quoted Bible verses to back it up and gave examples of Christians who had "received divine returns". I was moved by the message and joined without much thought. Looking back, I should've asked more questions
Victim 18 (Caterer, aged 36)	Bonny Island (Bayelsa State)	One of our women's fellowship leaders introduced it to us after a prayer meeting. She said it came during her fasting period and that God confirmed it as a blessing. We trusted her because she's known to be very spiritual. Almost everyone in the group joined. When it failed, even she was shocked. It really shook our faith.

Source: Field data (2025)

The data reveals how spiritual trust and religious platforms were co-opted, whether deliberately or inadvertently as channels for promoting fraudulent investment schemes. In each case, the respondents were not swayed by professional marketers or anonymous online advertisements, but by individuals within their religious communities, pastors, imams, fellowship leaders or congregants giving testimonies whose spiritual authority or perceived closeness to the divine rendered their endorsements particularly persuasive.

These religious influencers framed the schemes as divine opportunities, often using spiritual language such as *"blessing"*, *"breakthrough"*, or *"kingdom wealth"* to lend legitimacy to the ventures. Scriptural references, personal testimonies of success, and communal praise further created a compelling narrative that made questioning the scheme feel almost like questioning one's faith. This deep intertwining of financial decisions with religious convictions eroded critical thinking and made many participants more vulnerable to manipulation. The implications for the study are significant. Firstly, the data underscores how deeply embedded religious institutions and figures are in the socio-economic lives of individuals, particularly in communities where religion is a major source of identity and hope. It also reveals how religious environments can unintentionally become vectors for economic harm when spiritual authority is not paired with financial literacy. This raises the urgent need for faith-based organisations to become more financially accountable and to educate their members on discerning legitimate opportunities from exploitative ones.

Moreover, the emotional and spiritual toll of financial loss within a religious context can be particularly severe, as indicated by respondents who mentioned a shaken faith or communal disillusionment. This can weaken both individual well-being and collective trust within religious communities. The study, therefore, not only highlights the socio-economic dimensions of Ponzi scheme vulnerability but also draws attention to the need for a multi-

layered response that includes collaboration between financial regulators and religious leaders to protect followers from such exploitation under the guise of divine promise.

The data in Table 5 highlights how ethnic identity and brotherhood affiliations were strategically used to lure individuals into Ponzi schemes.

Table 5

Responses Based on Ethnic and Brotherhood Connections

How did ethnic and brotherhood connections push you into a Ponzi scheme?		
Participants	**Study Locations**	**Interview Excerpts**
Victim 19 (Welder, aged 39)	Eket (Akwa Ibom State)	One of my old schoolmates from our community WhatsApp group introduced the scheme. He said it was started by an Ibibio brother who wanted to help his people grow financially. He even said the early members were all from our tribe. I felt it was our own thing, so I joined without fear. Sadly, I never got a single return.
Victim 20 (Businesswoman, aged 44)	Bonny (Rivers State)	They presented it as a Bonny Kingdom initiative for economic empowerment. The promoters said it was to help our people rise above financial struggles. I felt proud to be part of something for "us". Even local leaders were encouraging it. We didn't know it was a scam until it was too late.
Victim 21 (Unemployed Graduate, aged 28)	Yenagoa (Bayelsa State)	It came through our university alumni group, mostly people from Bayelsa. The person who posted it was one of the senior guys we all respected from campus. He said it was a golden opportunity started by a fellow Ijaw man who wanted to "uplift his brothers". Because it came from someone, we all trusted, I didn't doubt it at all.
Victim 22 (Fashion Retailer, aged 33)	Ikot Ekpene (Akwa Ibom State)	During a meeting of our ethnic development association, the scheme was presented as a way to build economic power within the Anang nation. They said, "If other tribes can help themselves, why can't we?" That message really struck me. I didn't want to be left behind. But after investing, the whole thing disappeared like wind.
Victim 23 (Auto Technician, aged 41)	Sapele (Delta State)	The scheme was shared during a gathering of our Urhobo social club. They said it was created by an Urhobo entrepreneur who wanted to circulate wealth within the ethnic group. There was this strong sense of loyalt-like you're helping your people by joining. That emotional connection clouded my judgment.

Source: Field data (2025)

The respondents' narratives reveal a common pattern in which the schemes were presented not merely as financial ventures, but as ethnically-rooted initiatives aimed at collective upliftment. Promoters capitalised on shared cultural identity, invoking tribal solidarity, brotherhood and communal pride to gain trust and legitimacy. Whether introduced through alumni groups, ethnic development associations or social clubs, the schemes were framed as opportunities to empower one's ethnic group and close economic gaps with others.

The persuasive power of such appeals lies in the emotional and cultural bonds they activate. References to *"our people", "brothers"* or tribal entrepreneurs stirred a deep sense of belonging and duty. This emotional resonance often overrode rational scrutiny, as joining

became both a show of loyalty and a symbolic act of ethnic pride. When schemes were endorsed by respected peers or community leaders, it further strengthened the illusion of credibility and communal ownership. The implications of this for the study are significant. The findings show that in multi-ethnic societies where historical marginalisation or competition among groups exists, economic messages cloaked in ethnic solidarity can be particularly powerful and manipulative. Ethnic loyalty, while often a source of resilience and cooperation, can be weaponised to erode financial caution, making individuals more vulnerable to exploitation.

Moreover, the data illustrates that fraudulent schemes are increasingly adapted to local socio-cultural realities, suggesting a need for anti-fraud strategies that are equally localised and culturally informed. Financial education campaigns must address the emotional and identity-based appeals that these schemes exploit. This includes working with ethnic associations and social clubs to build awareness and encourage critical evaluation of investment opportunities. Overall, the study underscores the complexity of financial decision-making in contexts where ethnic identity intersects with economic aspirations and communal trust.

The data in Table 6 reveals a potent dimension of Ponzi scheme vulnerability rooted in emotional manipulation and the manufactured urgency that often accompanies such scams.

Table 6

Responses Based on Emotional Manipulation and Urgency

How did emotional manipulation and urgency push you into a Ponzi scheme?		
Participants	**Study Locations**	**Interview Excerpts**
Victim 24 (Single Mother, aged 32)	Ikono (Akwa Ibom State)	I had been out of work for months and struggling to feed my children. When someone said this scheme was a quick way to double my money in just 7 days, it felt like the answer to my prayers. They said registration would close that evening. I rushed and borrowed money just to join. I didn't even take time to ask questions. I was desperate.
Victim 25 (NYSC Corps Member, aged 27)	Port Harcourt (Rivers State)	They kept saying things like, "Only 50 slots left!" and "Join now or regret later". The constant pressure made it feel like a once-in-a-lifetime chance. I didn't want to miss out, especially after seeing others post about how much they earned in one week. I used my NYSC allowance. A week later, the platform shut down.
Victim 26 (Petty Trader, aged 26)	Asaba (Delta State)	The promoter said it was for struggling businesswomen who wanted to multiply capital quickly. He made it sound like a rescue plan. I was tired of daily suffering and wanted to change my life. When he said it would end by midnight, I sold part of my goods to raise the money. I never got anything back.
Victim 27 (Artisan, aged 36)	Yenagoa (Bayelsa State)	They showed us screenshots of huge profits and said we had only 24 hours to join or we'd lose out forever. I had just lost a job, so I felt like I had nothing to lose. That urgency made me ignore my doubts. It felt like everyone was getting rich except me. That fear pushed me into a trap.
Victim 28 (Teacher, aged 40)	Abak (Akwa Ibom State)	They posted success stories on Facebook every hour and said registration was about to close. One lady even said she turned ₦20,000 into ₦80,000 in two weeks. I didn't want to be left behind. They used emotional words

	like "don't let poverty hold you back" and "this is your moment". It got to me. I registered immediately. I wish I had paused to think.

Source: Field data (2025)

The respondents' experiences indicate that the promoters of these schemes preyed on financial desperation, psychological stress and Fear of Missing Out (FOMO), using persuasive tactics that triggered emotional decision-making rather than rational analysis. By creating the illusion of scarcity and time sensitivity-such as limited slots, closing deadlines and constant online testimonials-these schemes exerted psychological pressure that short-circuited critical thinking and made individuals more likely to act impulsively.

Many of the respondents were already in vulnerable positions-unemployed, underemployed or burdened by financial responsibilities. The schemes were positioned as lifelines, promising immediate financial relief and transformation. Emotional language such as *"don't let poverty hold you back"* or *"this is your moment"* further reinforced the illusion of opportunity and urgency. These appeals bypassed logical assessment, especially when accompanied by fabricated success stories, fake screenshots or testimonials from supposed beneficiaries.

The implications for the study are profound, as they highlight how emotional vulnerability and urgency-based persuasion serve as catalysts for financial risk-taking in precarious economic environments. The data suggests that Ponzi scheme promoters understand and exploit not just financial need but also psychological states; such as fear, hope, desperation and envy to drive participation. This underscores the need for more robust public education on the emotional triggers of fraud, not just its structural or economic features.

Additionally, the study must consider the psychological aftermath on victims, who not only suffer financial losses but may also carry feelings of shame, regret, or diminished self-worth. For policy and intervention efforts to be effective, they must incorporate psychological literacy, emphasising the ways emotional manipulation is used in fraud and equipping individuals with strategies to pause, reflect and verify before making financial commitments. In sum, the findings stress that combating Ponzi schemes requires not only financial safeguards but also emotional resilience training tailored to at-risk populations.

Result and Discussion

The findings from the field data offer a compelling insight into the relational and trust-based dynamics that underlie the spread of Ponzi schemes in the Niger Delta region. A recurring

theme across the testimonies is the deep reliance on interpersonal relationships; whether familial, religious, occupational or communal as the primary conduit through which individuals were introduced to these fraudulent financial schemes. The decision to participate was frequently not the result of a calculated financial strategy, but rather an emotional and social response grounded in trust, respect, and longstanding relationships. This dynamic corroborates the arguments presented by Obamuyi et al. (2018), who identified friends' recommendations and the get-rich-quick mentality as significant drivers of participation. However, the current study extends this by contextualising these drivers within the cultural fabric of everyday relationships, showing how these social connections are not only influential but often serve as the sole basis for decision-making.

The qualitative data also aligns with the observations made by Onanuga and Taiwo (2020), who emphasised the power of discursive techniques in misleading potential investors. In the present study, although the focus was not explicitly on language, the narratives reflect how promoters framed schemes as blessings, community opportunities, or pathways to shared upliftment-further reinforcing emotional appeal. For instance, religious and community leaders invoked collective suffering and divine providence to validate their recommendations, echoing Onanuga and Taiwo's assertion that the language of deception is deeply ideological and tailored to resonate with local realities of poverty and hope.

Moreover, the testimonies support the notion of *"affinity-based recruitment"*, a pattern noted by Bosley and Knorr (2018) in their analysis of pyramid schemes in the U.S. While their study focused on formal affinity groups such as religious organisations and ethnic communities, the present findings highlight a more informal but equally powerful affinity network, built on everyday social interactions and shared histories. These informal trust networks functioned as credible sources of validation, making the schemes appear trustworthy, especially in a socio-economic climate marked by uncertainty and limited opportunities.

What emerges clearly from the data is a pattern of social contagion, wherein one person's decision to join a Ponzi scheme, based on trust, quickly influences others within the same social circle to follow suit. This mirrors the argument made by Amakoromo et al. (2024) regarding the state's regulatory failure, but with an added layer of complexity, suggesting that the vacuum left by ineffective governance is not just filled by fraudulent schemes, but also by the trusted voices within communities who unknowingly propagate them. As such, the study shifts the analytical lens from state-centric failures to the micro-level interactions that enable these schemes to flourish undetected until collapse.

Furthermore, the study of Adaramola et al. (2024) focused on greed as a central motivator is somewhat complicated by these findings. While financial ambition is evident in the testimonies, it is often mediated by relational trust. Participants were not merely acting out of personal greed but were drawn into schemes because they sought to support, emulate or align with those they trusted. In many cases, the promoters themselves later became victims, suggesting a chain reaction of deception not necessarily rooted in malicious intent but in systemic vulnerability. This finding provides a more nuanced interpretation of financial behaviour, one that integrates emotional, relational and structural dimensions, rather than attributing it solely to individual moral failings.

The implications are profound. Trust, typically a valuable social resource in communal societies, becomes a double-edged sword when manipulated in the service of fraud. The emotional and social costs of Ponzi scheme participation are thus far-reaching, often resulting in damaged relationships, feelings of betrayal and loss of community cohesion. This underscores the urgent need for culturally attuned financial education and preventive strategies. Awareness campaigns must move beyond generic warnings and instead address the relational pathways through which fraud spreads. Empowering individuals to apply critical thinking even within trusted relationships, without undermining social cohesion, represents a delicate but necessary balance in combating financial scams in trust-based societies.

Overall, the study enriches existing literature by highlighting the relational ecology of financial fraud in Nigeria. It demonstrates how Ponzi schemes thrive not just through economic desperation or discursive manipulation, but through the very social fabrics that bind communities together. In doing so, it opens new avenues for understanding and addressing financial vulnerability in culturally embedded and socially dynamic contexts. The findings of this study uncover the complex role that community ties and solidarity culture play in facilitating the proliferation of Ponzi schemes in the Niger Delta region of Nigeria. Far from acting as a shield against deception, these communal networks often serve as the very channels through which fraudulent financial schemes gain traction. Promoters of Ponzi schemes, as the evidence reveals, skilfully embed themselves within trusted social networks; women's associations, youth groups, cooperative societies, village meetings manipulating local symbols, dialects and respected leadership structures to present their operations as grassroots movements rooted in collective empowerment.

This strategic infiltration aligns with the observations made by Obamuyi et al. (2018), who identified the influence of friends' recommendations and perceived economic benefits as

key drivers of Ponzi scheme participation. However, this study expands on their findings by offering a nuanced, qualitative perspective on how these factors are mediated through cultural intimacy and the language of shared struggle. Unlike the quantitative approach of Obamuyi et al. (2018), which provided statistical associations between demographic factors and participation, the present study illustrates the emotional and relational dynamics behind these decisions, how trust is cultivated, exploited and ultimately betrayed within community frameworks.

Similarly, the findings offer a vital extension of Onanuga and Taiwo's (2020) discourse analysis, which emphasised the linguistic strategies used in online Ponzi schemes. While Onanuga and Taiwo focused on digital spaces and textual manipulation, this study shifts the lens to in-person mobilisation, demonstrating how spoken language, especially in native dialects and the performance of cultural belonging are employed to foster a false sense of legitimacy. Ponzi promoters did not merely communicate; they performed identity, invoking shared heritage and communal solidarity to strengthen the persuasive power of their deception.

The study also resonates with the work of Bosley and Knorr (2018), who found that pyramid schemes in the United States. flourished in communities with strong affinity groups, such as religious and ethnic minorities. What distinguishes the current study, however, is its focus on the informal, trust-based economy of the Niger Delta, where social capital functions as both an asset and a vulnerability. Here, the same networks that offer mutual support in times of need become susceptible to manipulation, particularly when they are exploited under the guise of local economic liberation or communal upliftment.

Moreover, the evidence strongly supports the critique posed by Amakoromo et al. (2024), who argued that state failure and regulatory lapses have created an enabling environment for Ponzi schemes in Nigeria. While their analysis targeted the macro-level legal and policy landscape, this study complements it by exposing how the absence of oversight at the grassroots level within village councils, cooperatives and informal associations, has contributed to the unchecked spread of financial fraud. In particular, the endorsement of Ponzi schemes by local leaders, as reported by several respondents, underscores a critical blind spot in financial governance that allows fraudsters to legitimise their schemes through existing social hierarchies.

In terms of psychological motivation, while Adaramola et al. (2024) identified greed as a major factor luring individuals into Ponzi schemes, this study demonstrates that the motivation is often more complex and community-driven than individualistic. The desire to

support one's community, the trust in local leadership, and the belief in collective economic emancipation all played a significant role, suggesting that what may appear as greed on the surface is often entangled with a genuine hope for shared prosperity and a better future.

Ultimately, the findings challenge traditional assumptions about financial vulnerability by showing that cultural proximity and social cohesion, often perceived as protective mechanisms, can be manipulated to serve exploitative ends. This calls for a more context-sensitive approach to financial education, one that does not simply teach individuals to be wary of *"too good to be true"* offers, but one that also addresses the cultural and relational scripts that fraudsters exploit. Strengthening financial literacy, therefore, must go hand-in-hand with enhancing the internal governance structures of local associations and building institutional trust at the community level. Such efforts are essential not only to disrupt the spread of Ponzi schemes but also to preserve the integrity of community networks that are otherwise vital to social and economic resilience.

The findings of this study revealed a nuanced and deeply human dimension to Ponzi scheme participation in Nigeria, particularly as it relates to religious affiliations and the strategic manipulation of social trust. Victim testimonies demonstrate that religious spaces are not only spiritual havens but also influential social ecosystems where financial decisions are often shaped by communal narratives and the authority of spiritual leaders. This aligns with Obamuyi et al. (2018), who identified interpersonal influence, particularly through friends and social networks as a major driver of Ponzi scheme participation. However, the current findings extend this observation by illustrating how religious figures and contexts elevate that influence to a more emotionally and spiritually persuasive level, making scepticism feel like an act of disloyalty or even sacrilege.

The testimonies suggest that schemes were frequently presented as divinely ordained solutions to economic hardship, using spiritual rhetoric such as *"season of blessing"*, *"kingdom wealth"* and *"financial breakthrough from Allah".* These discourses resonate with the findings of Onanuga andTaiwo (2020), who explored how linguistic strategies in Ponzi scheme promotion tap into personal and communal aspirations. The difference, however, lies in how these strategies operate within trusted religious settings, amplifying their impact. Here, testimonies and scriptural allusions are not just rhetorical tools but carry weight because of their association with sacred institutions and figures, thereby lowering the guard of critical thinking.

The study by Amakoromo et al. (2024) emphasises governmental failure and legal gaps in tackling Ponzi schemes, pointing to a top-down issue. While that critique remains valid, the

present study contributes an essential bottom-up perspective: the proliferation of Ponzi schemes is not only facilitated by institutional weakness but also by the weaponisation of social and spiritual capital at the grassroots. The failure to address this dynamic creates a vacuum where informal trust systems become avenues for manipulation, often leading to widespread emotional and financial devastation.

Furthermore, this study's findings resonate with Bosley & Knorr (2018), who identified affinity groups, particularly religious and ethnic communities as fertile ground for fraudulent scheme recruitment in the U.S. The current research confirms this trend in the Nigerian context, where religious groups function as affinity networks that promote social cohesion but can also become vectors of economic exploitation. The distinction, however, lies in the level of embeddedness of these networks. In developing societies like Nigeria, where formal financial literacy and regulatory oversight are limited, religious communities often serve as the primary support system, making them more susceptible to internal threats masked as divine favour.

In line with Adaramola et al. (2024), who highlight greed as a major motivator for Ponzi scheme participation, this study nuances that conclusion by suggesting that what may appear as greed is often intertwined with hope, trust, and spiritual expectation. The lure of financial multiplication is not driven solely by selfish desire but by a yearning for relief in a context of economic instability, amplified by religious validation. Thus, the framing of such schemes within a divine context not only legitimises risk but sanctifies it.

Ultimately, the findings reveal a complex intersection between faith, trust, and financial vulnerability. They show that in religious communities where spiritual authority is deeply revered, endorsement of financial schemes by faith leaders or respected members can override personal uncertainty. This calls for a broader, more integrative approach to policy response, one that not only strengthens regulatory oversight but also engages faith-based organisations as active stakeholders in financial literacy and consumer protection. Religious leaders, given their influential roles, must be equipped to discern and discourage dubious financial ventures to safeguard their communities. This study, therefore, enriches the literature by providing a culturally embedded and emotionally resonant view of Ponzi scheme participation. It shifts the analytical lens from mere individual decision-making or institutional failure to the intricate social and spiritual fabrics that shape financial behaviour, especially in economically strained yet highly communal societies like the Niger Delta region.

The findings of this study reveal a compelling dynamic in which ethnic and brotherhood connections serve as powerful instruments for the proliferation of Ponzi schemes in the Niger

Delta region. Victims consistently described how fraudulent investment schemes were framed not simply as financial opportunities, but as culturally anchored initiatives aimed at collective empowerment. This pattern mirrors and deepens existing literature on the social and psychological mechanisms of Ponzi scheme participation, offering a more culturally nuanced understanding of financial vulnerability.

Consistent with Obamuyi et al. (2018), who identified expected benefits, ease of access to funds, and recommendations from trusted acquaintances as significant motivators for participation, this study finds that those recommendations were often embedded in deeply personal and culturally charged networks. Unlike the more generalised social influence highlighted in Obamuyi et al. (2018), the current research highlights how that influence is often shaped by ethnic pride, tribal solidarity, and a shared sense of marginalisation. Trust, in this context, was not just interpersonal but communal-anchored in shared histories, values, and identities.

The narratives collected from respondents show that Ponzi promoters intentionally tapped into alumni networks, ethnic development associations, and local social clubs, using culturally resonant language and symbols to gain credibility. Phrases like *"our brother"*, *"our tribe"* and *"our people"* were recurrent tools of persuasion. These findings extend the work of Onanuga & Taiwo (2020), who examined how discursive tools such as narrativity and ideological framing are used to manipulate emotions. While their focus was on linguistic strategies in online Ponzi promotions, this study brings those discursive strategies into real-life community settings, showing how they function within oral, relational and kinship-based forms of communication.

Furthermore, the study aligns with and enriches Amakoromo et al. (2024), who critiqued the Nigerian government's failure to regulate Ponzi operations effectively. However, where their analysis centres on macro-level institutional gaps, the present study foregrounds micro-level community dynamics. It shows that even in the absence of formal regulatory oversight, fraudsters do not operate in a vacuum; they exploit the informal social structures and trust economies that define everyday life in many Nigerian communities.

Bosley & Knorr's (2018) findings on affinity fraud in the United States provide a useful comparative backdrop. Their identification of religious and ethnic groups as fertile grounds for pyramid schemes resonates strongly with this study's discovery of similar trends in the Niger Delta. However, while Bosley and Knorr focus on demographic susceptibility in a developed context, the current study adds depth by examining how those demographic categories operate

within a postcolonial, economically disenfranchised setting. Here, ethnicity is not just a marker of identity but a means of survival, making financial appeals grounded in ethnic solidarity especially potent.

Similarly, while Adaramola et al. (2024) emphasise greed as the primary factor behind Ponzi scheme participation, the present findings suggest that greed alone is insufficient to explain the phenomenon in this context. Many respondents did not frame their decisions in terms of personal gain, but rather as contributions to community upliftment or acts of ethnic loyalty. This underscores the importance of situating financial decision-making within broader socio-cultural contexts rather than interpreting it through individualistic psychological lenses alone.

In sum, the findings illustrated that Ponzi scheme promoters in the Niger Delta do not merely rely on financial incentives or persuasive rhetoric; they manipulate deep-seated cultural identities and communal aspirations. The emotional resonance of belonging, trust, and ethnic pride becomes a powerful tool for deception. These insights call for prevention strategies that move beyond traditional financial literacy campaigns. Instead, they must engage directly with the cultural scripts and communal structures that shape people's economic behaviour. Partnering with local associations, faith-based groups, and tribal councils to foster critical financial thinking and resilience could help mitigate the manipulation of social capital for fraudulent purposes. The study thus contributes a culturally grounded, sociologically rich perspective to the literature on financial fraud in Nigeria and beyond.

The findings from this study align closely with existing literature on the factors driving participation in Ponzi schemes in Nigeria, particularly in the Niger Delta region. The data reveal a complex interplay of cultural, emotional, and psychological factors that Ponzi scheme promoters exploit to manipulate potential victims. A key theme that emerged from the data is the powerful role of ethnic and communal identities in Ponzi scheme recruitment. Similar to the observations made by Obamuyi et al. (2018), who identified social factors such as friends' recommendations and expected benefits as crucial in Ponzi scheme participation, this study highlights the specific ways in which ethnic and brotherhood affiliations are weaponised. Participants frequently mentioned that the schemes were presented as initiatives aimed at uplifting specific ethnic groups, creating a sense of solidarity that made individuals feel compelled to join. This aligns with the work of Amakoromo et al. (2024), who pointed out the government's failure to address Ponzi schemes and how they exploit social and cultural networks to gain legitimacy. The promoters' appeal to ethnic loyalty and group identity, as seen

in the testimonies, underscores the manipulative power of social trust, which is often taken for granted in tight-knit communities.

Another significant finding relates to emotional manipulation and urgency, which have been shown to be highly effective in driving individuals to make impulsive decisions. Respondents reported experiencing emotional pressure to act quickly, often driven by narratives of scarcity (only X slots left) and time-limited opportunities. This tactic echoes the findings of Onanuga and Taiwo (2020), who explored how Ponzi schemes use language to create a sense of immediacy and excitement. In this study, emotional appeals such as *"don't let poverty hold you back"* or *"this is your moment"* were consistently used to persuade individuals to invest, bypassing their logical scrutiny. Similar emotional triggers were identified in the work of Bosley and Knorr (2018), who noted that financial desperation and the desire for quick wealth are often exploited in scams. This research contributes to the understanding of Ponzi schemes by emphasising that such schemes do not merely rely on economic incentives but actively leverage emotions like hope, fear, and FOMO to manipulate their victims.

Furthermore, the findings reveal that psychological vulnerability plays a pivotal role in scheme participation, particularly among individuals already in precarious financial situations, such as the unemployed or those struggling to meet daily needs. The emotional and psychological factors leading to participation in Ponzi schemes were clear in the data, with many respondents describing how the schemes felt like a *"rescue"* from their financial challenges. This observation is consistent with the findings of Adaramola et al. (2024), who identified greed as a central motivating factor but did not explore the nuanced cultural and emotional contexts that influence decision-making. The emotional and psychological dimensions highlighted here suggest that Ponzi scheme promoters are adept at exploiting both the fear of missing out and the desire for a better life, reinforcing the findings of Onanuga and Taiwo (2020) about the power of emotional engagement in online scams.

Additionally, the role of social networks in Ponzi schemes was also underscored by the respondents' accounts of how schemes were introduced through familiar community networks, such as alumni groups, ethnic associations, and social clubs. The literature, especially the work of Bosley and Knorr (2018), points to the role of affinity groups in facilitating scheme proliferation, noting that schemes thrive where trust is high and community bonds are strong. This study adds nuance by illustrating how trust within specific ethnic and cultural contexts can both protect and make individuals vulnerable to financial exploitation. By positioning Ponzi schemes as ethnic or community-building initiatives, promoters cleverly tap into pre-existing

social capital, gaining credibility that might otherwise be absent in more traditional or formal financial dealings.

These findings suggest a multifaceted approach to understanding and combating Ponzi schemes. Not only do financial and economic factors need to be addressed, such as the availability of easy credit or the allure of quick wealth, but psychological and cultural elements must also be considered. The emotional manipulation employed by promoters, coupled with the use of urgency and emotional appeals, demonstrates the need for financial literacy campaigns to go beyond rational investment education. Instead, they should include psychological resilience training, helping individuals recognise and resist emotional and social pressures that make them vulnerable to fraud.

Moreover, the study's findings highlight the importance of localised intervention strategies. As seen from the varied ways Ponzi schemes exploit cultural and social identities in the Niger Delta, anti-fraud efforts must be tailored to the unique social, ethnic, and emotional contexts of specific regions. Public education campaigns that address the emotional triggers of fraud, such as urgency and social pressure, could be more effective in preventing participation in Ponzi schemes. This might include working with ethnic associations, alumni networks, and social clubs to foster critical thinking and scepticism around investment opportunities.

In conclusion, the findings of this study not only corroborate but also extend existing literature on Ponzi scheme participation in Nigeria. They shed light on the role of social trust, ethnic solidarity, and emotional manipulation in driving individuals into financial traps. To combat these schemes, both economic and psychological safeguards need to be implemented, emphasising emotional awareness, critical decision-making, and culturally sensitive strategies that account for the relational dynamics of Ponzi schemes in Nigerian society. The findings align with Marvin Wolfgang's VPT.

Recommendations

In conclusion, this study has explored how Ponzi scheme promoters manipulate social trust, community ties and ethnic or religious affiliations to recruit victims in the Niger Delta region of Nigeria. Through examining the various ways in which Ponzi schemes prey on communal bonds, the research underscores how promoters strategically exploit cultural values, respect for authority figures, and emotional appeal to establish legitimacy. The findings revealed that trust, whether it is familial, religious or ethnic, becomes the primary tool for

fostering a sense of security among potential victims, making them more likely to invest without conducting due diligence. These elements of social capital, which are integral to the fabric of society in the Niger Delta, are systematically leveraged to create a veneer of legitimacy around fraudulent schemes, making them even harder to detect and resist.

The research findings contribute significantly to our understanding of the complex interplay between personal relationships, social networks and the promotion of fraudulent schemes. By highlighting how these schemes are embedded in the socio-cultural dynamics of the Niger Delta, the study emphasises the importance of considering the local context when addressing financial crimes in the region. It provides valuable insight into how Ponzi schemes thrive not just through individual deception, but by exploiting communal structures and widespread reliance on informal social support systems. This contribution deepens our comprehension of the societal factors that influence participation in these schemes, shifting the focus from individual blame to a broader, more systemic perspective.

The study also paves the way for further research into the intersection of financial fraud and socio-cultural dynamics. Future studies could explore the psychological mechanisms that make individuals more susceptible to such schemes, particularly in rural or underdeveloped regions. Additionally, research could examine the long-term effects of Ponzi schemes on community trust and how these schemes impact social cohesion in ethnic or religious groups. Analysing how digital platforms are used to facilitate these schemes in different regions could also be a crucial area for future inquiry.

In terms of recommendations, it is essential for policymakers, community leaders, and financial institutions to collaborate in raising awareness about the dangers of Ponzi schemes and the importance of financial literacy. Educating individuals about the risks associated with investment opportunities and the importance of independent verification is crucial in preventing further exploitation. Additionally, there is a need for stronger regulatory frameworks to combat fraudulent financial schemes, particularly in the context of rapidly expanding digital financial spaces. Empowering local communities with the tools to recognise and resist such schemes, while fostering trust in more transparent and legitimate financial systems, could be a key strategy for reducing the prevalence of Ponzi schemes in the Niger Delta and beyond.

Ethics Committee Approval

This paper complies with Research and Publication Ethics, has no conflict of interest to declare, and has received no financial support.

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